GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:87
ANSWERED ON:19.07.2002
INDIA`S POSITION IN COMPETITIVENESS RANKING
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Will the Minister of FINANCE be pleased to state:

(a) Whether according to the World Economic Forum`s Global CompetitivenessReport 2001-2002, `India slips to 57th position in competitiveness ranking` as reported in The Hindustan Times dated the June 3, 2002;

(b) if so, whether the factors responsible for this state of affairs have been assessed and identified;

(c) if so, the details thereof; and

(d) the corrective steps the Government propose to take in this regard?

Answer

MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH)

(a), (b), (c) & (d): A Statement is placed on the Table of the House.

Statement referred to in reply to parts (a) to (d) of the Lok Sabha Starred Question No. 87 regarding `India`s Position in Competitiveness Ranking` due for reply on the 19th July, 2002.

(a),(b) & (c):According to Global Competitiveness Report (2001-02) of the WorldEconomic Forum, India`s rank has come down to 57 in 2001 from 48 in 2000. These rankings are not strictly comparable, as the Report for 2001-2002 includes 17 new countries and incorporates new parameters on technology innovation, infrastructure and financial markets. However, the present Report has highlighted India`s competitive advantages in areas like information and communications technology (ICT), promotion of conducive legal framework, access to credit, inflation, real exchange rate and availability of scientists & engineers and quality of research. Among areas relating to India`s competitive disadvantages, the Report mentions Government deficit, road infrastructure quality, distortive government subsidies and labour-employer relations.

(d): The Government is aware of the shortcomings mentioned and has undertaken several reforms in trade, industry, financial and public sectors to improve efficiency, productivity and competitiveness of Indian industries, as also to induce dynamism to the overall growth process. Containment of fiscal deficit and reforms in land and labour markets also remain high on the agenda of the Government.